MEMORANDUM

TO: Reporters and Editors
RE: AstraZeneca Pharmaceuticals settlement with HHS
DA: Friday, June 20, 2003

Sen. Chuck Grassley issued the following comment about the $355 million settlement announced today between AstraZeneca Pharmaceuticals LP and the inspector general's office for the U.S. Department of Health and Human Services. The settlement includes a $63 million criminal fine related to claims for payment for Zoladex which was provided as samples free of charge. The Prescription Drug Marketing Act prohibits the sale of drug samples. The Finance Committee has legislative and oversight responsibility for Medicaid. Sen. Grassley was the principal Senate author of the 1986 amendments to the False Claims Act, and he is chairman of the Senate Committee on Finance.

Sen. Grassley's statement:

"I'm concerned that AstraZeneca's decision to charge the government for free drug samples is symptomatic of a larger sickness threatening Medicaid, a $148 billion federal program in fiscal 2002. Low-income Americans, pregnant women and poor children rely on Medicaid. It's especially offensive to see a multi-million dollar corporation stiff this needy population. Every dollar lost to fraud by bad actors is a dollar that doesn't serve those who need Medicaid.

"I'm committed to wiping out this kind of fraud with aggressive oversight efforts and legislative activity. As chairman of the Finance Committee, I'll shine the same bright light on Medicaid fraud that I've used to help expose fraud against Medicare over the years. In addition, the prescription drug legislation the Senate is now debating contains provisions to increase the annual appropriation to fight fraud and abuse against Medicare and Medicaid and to increase civil penalties under the False Claims Act. There's no doubt that the False Claims Act is a valuable tool in prosecuting fraud, and it serves as a strong deterrent to those who are tempted to bilk the taxpayers and, in the case of health care programs, the beneficiaries."